GOVERNMENT OF INDIA
EXTERNAL AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:547
ANSWERED ON:20.07.2016
Development Aid to Nepal
Kamal Nath Shri ;Scindia Shri Jyotiraditya Madhavrao

Will the Minister of EXTERNAL AFFAIRS be pleased to state:

Will the Minister of EXTERNAL AFFAIRS be pleased to state:

(a) whether development aid to Nepal has been drastically cut during the last two years;

(b) if so, the reasons therefor and the details of development aid extended to Nepal during 2014-15 and 2015-16;

(c) whether Nepal's Finance Ministry report has recently blamed the Government of India on cut in development aid;

(d) if so, the facts and details thereof and whether due to this issue, the relations between both the countries are strained; and

(e) if so, the details of steps taken by the Government to have good relations with Nepal?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS
[GEN. (DR) V. K. SINGH (RETD)]

(a) No.

(b) The disbursement of actual aid to Nepal depends on utilization of the available amount and progress achieved in numerous projects under implementation with GoI assistance in Nepal. The development assistance extended to Nepal in 2014-15 was INR 420 crores, and that in 2015-16 was INR 300 crores. Four lines of credit totaling US $ 1.65 billion have been extended to Nepal so far.

(c) & (d) Nepal's Finance Ministry in its report includes only that portion of foreign aid that is channelized through the budget of Nepal. However, in addition the Government of India provides significant grant assistance for several projects and schemes, including scholarships and training, which are not reflected in the budget of the Government of Nepal. India's age−old ties with Nepal are unique and special, characterized by an open border based on shared history, geography, culture, close people−to−people ties, mutual security and close economic linkages.

(e) Government of India is committed to further strengthen and expand India−Nepal cooperation through regular bilateral exchanges and development assistance. Government of India continues to extend all assistance in accordance with the aspirations of the people of Nepal, for peace, stability and socio−economic development of the country.